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Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 EB-11 COME-00 INT-08 SCEM-02 SCI-06 OMB-01

TRSE-00 NEA-10 DRC-01 AID-20 /151 W
---------- 041362
R 190900Z DEC 73
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 9140
INFO AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY PHNOM PENH
AMEMBASSY SAIGON
AMEMBASSY SINGAPORE
AMEMBASSY VIENTIANE
AMEMBASSY SEOUL

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E.O. 11652: N/A
TAGS: ENRG
SUBJECT: SUMMARY OF FACTS ON OIL SHORTAGES IN THAILAND

REF: BANGKOK A374

BEGIN UNCLASSIFIED

1. THIS TELEGRAM SUMMARIZES FACT SHEET PREPARED BY THE EMBASSY ON THE PETROLEUM SITUATION. FACT SHEET TRANSMITTED TO DEPARTMENT BY AIRGRAM 374, DECEMBER 21, 1973.

2. OIL IS PROJECTED TO PROVIDE APPROXIMATELY 85 PERCENT OF THAILAND'S ENERGY NEEDS THROUGH 1990. HOWEVER, THAILAND CONSUMES RELATIVELY SMALL QUANTITIES OF PETROLEUM, AMOUNTING TO NO MORE THAN 153,000 BARRELS PER DAY VERSUS 19.7 MILLION BARRELS PER DAY
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IN THE U.S., AT PRESENT CONSUMPTION LEVELS.

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3. THAILAND'S PRESENT PRODUCTION OF PETROLEUM FROM OIL FIELD IS INSIGNIFICANT IN COMPARISON WITH DEMAND. OIL AND GAS STRIKES IN GULD OF THAILAND HAVE NOT YET PROVED COMMERCIALLY EXPLOITABLE. THE ESTIMATED THREE BILLION BARRELS OF SHALE OIL RESERVES 620 KM NORTH-WEST OF BANGKOK AT MAE SOD CAN NEITHER BE TECHNICALLY NOR ECONOMICALLY EXPLOITED AT PRESENT.

4. THAILAND IMPORTS ALMOST ALL OF ITS CRUDE OIL FROM MIDDLE EASTERN COUNTRIES. SINCE 1972 THAILAND HAS SHIFTED FROM PROCURE-MENT PREVIOUSLY OBTAINED IN BORNEO AND SARAWAK TO QATAR. BREAK-DOWN BY PERCENT AND COUNTRY FOR 1972 GIVEN BELOW

SAUDI ARABIA 37 PERCENT
KUWAIT 23 PERCENT
QATAR 32 PERCENT
BORNEO 4 PERCENT
SARAWAK 2 PERCENT

5. AT PRESENT RATES OF CONSUMPTION, EVERY $1 INCREASE IN COST OF CRUDE PER BARREL IS CALCULATED TO COST THAILAND AN ADDITIONAL OUTLAY IN FOREIGN EXCHANGE OF $70 MILLION PER YEAR. THUS, RECENT INCREASE FROM $3 TO $5/BARREL WILL COST THAILAND $140 MILLION ADDITIONAL IN FOREIGN EXCHANGE.

6. THAILAND CONSUMES MORE DIESEL OIL THAN ITS REFINERIES CAN PRODUCE UNDER PRESENT OPERATING PROCEDURES. RTG PRICING AND TAXATION POLICIES HAVE ENCOURAGED CONSUMPTION OF DIESEL. AS A RESULT, THAILAND IMPORTS APPROXIMATELY FOUR MILLION BARRELS OF DIESEL FUEL ANNUALLY, MAINLY FROM REFINEREIES IN KUWAIT.

7. RTG HAS RESPONDED TO OIL CRISIS BY LAUNCHING THREE PRONGED EFFORT TO SECURE SUPPLIES OF CRUDE OIL. PRIMARY HOPE OF RTG HAS BEEN LONG TERM CONTRACT WITH SAUDI ARABIA OR KUWAIT FOR 10 MILLION BARRELS CRUDE ANNUALLY IN RETURN FOR THAI COMMITMENTS TO SELL RICE AND CEMENT. RTG TEAM THAT TRAVELED TO MIDDLE EAST (REFTEL) ALSO EXPECTED TO EXPLORE POSSIBILITY ARAB STATES MIGHT BRANT THAILAND "FRIENDLY COUNTRY" STATUS. END UNCLASSIFIED.

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8. SECOND PRIORITY FOR RTG IN SOLVING OIL CRISIS WAS AN APPROACH TO INDONESIA. JUDGING BY STATEMENTS OF INDONESIAN LEADERS APPEARING IN THE PRESS, THIS APPROACH FAILED SINCE INDONESIAN CRUDE COMMITTED TO OTHER PURCHASERS. HOWEVER, INDONESIAN COMMERCIAL ATTACHE TOLD EMBOFF THAT INDONESIAN FOREIGN MINISTER MALIK DID PROMISE RTG TO SUPPORT ACTIVELY THAI REQUEST FOR "FRIENDLY COUNTRY" TREATMENT FROM OPEC.

9. THIRD PRIORITY FOR THAI EFFORTS TO SOLVE OIL CRISIS WAS APPROACH

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TO PRC. DIRECTOR GENERAL MFA INFORMATION OFFICE TOLD EMBOFF
THAT RTG CABINET DECIDED TO ASK THAI WASHINGTON AMBASSADOR TO CONTACT
DIRECTLY PRC UNITED NATIONS REP, IN EFFORT TO CONFIRM REPORTS THAT
PRC WILLING TO SELL DIESEL TO THAILAND. REPLY RECEIVED STATED PRC
WILLING TO SELL 50,000 METRIC TONS OF DIESEL OIL TO THAILAND,
BUT OTHER DETAILS STILL LACKING. PLANS OF DEPUTY FOREIGN MINISTER
CHARTCHAI TRAVEL TO PEKING SOON CONTINUE TO BE REPORTED BUT NOT
YET DEFINITE. END LIMITED OFFICIAL USE.
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